

## **PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION**

The regular meeting of August 22, 2012 was held in room 317 of City Hall.

Meeting called to order by President Fine at 4:00 p.m.

Present were: Fine (Robert Fine, Representative of the Park and Recreation Board), Hodges (Betsy Hodges, Chair of the Ways & Means/Budget Committee of the City Council). Johnson (Barbara Johnson, President of the City Council; Rybak ( R T Rybak, Mayor of Minneapolis ), Becker ( Carol J. Becker, Elected Member ) Wheeler ( David Wheeler, Elected Member ).

Absent: None.

The secretary presented the following:

General Obligation Various Purpose Bonds, Series 2012, \$37,500,000.

Summary of bonds to be issued & bonds deferred to 2013

By project and funding responsibility.

Requested internal maturity structures for bonds to be issued.

Proposed timeline for the above Bond issuance.

Following questions and discussion Johnson moved the following resolution;

Relating to and providing for the issuance and sale of bonds of the City of Minneapolis in the amount of \$37,500,000.

### **RESOLVED BY THE BOARD OF ESTIMATE AND TAXATION OF THE CITY OF MINNEAPOLIS**

1. Under and pursuant to the provisions of Sections 9 and 10 of Chapter 15 [Board of Estimate and Taxation] of the Charter of the City of Minneapolis, adopted at an election held on November 2, 1920, as amended (the "Charter"), the Board of Estimate and Taxation of the City of Minneapolis (the "Board") shall proceed forthwith to issue and sell General Obligation Various Purpose Bonds, Series 2012 (the "Various Purpose Bonds"), of the City of Minneapolis (the "City"), in the original aggregate principal amount of \$37,500,000, the proceeds thereof to be applied to the following purposes and in the following respective amounts:

(a) \$1,900,000 pursuant to Resolution Nos. 2012R-317 of the City Council of the City, the proceeds thereof to be used for new parking meters in the parking system of the City (Meters 1201);

(b) \$1,750,000 pursuant to Resolution No. 2010R-603 and Resolution No. 2011R-664 of the City Council of the City, the proceeds thereof to be used for the Infiltration and Inflow Removal Program, including: SA1136 Infiltration and Inflow Removal 2011 Program (\$1,000,000) and; (ii) SA1236 Infiltration and Inflow Removal 2012 Program (\$750,000);

(c) \$5,400,000 pursuant to Resolution No. 2010R-603 of the City Council of the City, the proceeds thereof to be used for storm water related project described therein: (i) SW1101 Storm Drain & Tunnel Rehab 2011 Program (\$5,400,000);

(d) \$4,200,000 pursuant to Resolution No. 2011R-666 of the City Council of the City, the proceeds thereof to be used by the Convention Center in the repair of three of the roof domes CNV1201;

(e) \$1,500,000 of refunding bonds pursuant to Resolution No. 2012R-426 of the City Council of the City, the proceeds to be used by the City to prepay the December 1, 2013 through December 1, 2019 maturities of the \$40,970,000 General Obligation Various Purpose Bonds, Series 2004 with a dated date of June 24, 2004;

(f) \$4,600,000 of refunding bonds pursuant to Resolutions No. 2012R-426 of the City Council of the City, the proceeds to be used by the City to prepay the December 1, 2013 through December 1, 2024 maturities of the \$9,740,000 General Obligation Improvement Bonds, Series 2004, with a dated date of December 1, 2004; and

(g) \$18,150,000 of net debt bonds to be used for the following authorized purposes:

(1) Various public infrastructure improvements pursuant to Resolution No. 2008R-547, as amended (\$75,000), the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
BIK923 Bike Boulevard Pilot 2009 Program	50,000	50,000	0
PSD911 Energy Conser & Emissions Reductions 2009 Program	75,000	0	75,000

(2) Various public infrastructure improvements pursuant to Resolution No. 2009R-590, as amended (\$298,000), the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
ART01 Art in Public Places 2010 Program	153,000	0	153,000
MBC 10xx Elevators 2010 Program	70,000	0	70,000
MBC1009 Critical Power 2010 Program	66,000	66,000	0
PSD1011 Energy Conser & Emissions Reductions 2010 Program	300,000	0	75,000
TR1013 RR Crossings Safety Improvements 2010 Program	70,000	70,000	0

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- (3) Various public infrastructure improvements pursuant to Resolution No. 2010R-602 (\$1,536,000) the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
ART1101 Art in Public Places 2011 Program	242,000	139,000	103,000
BR1110 Northtown Rail Yard Bridge	2,535,000	2,535,000	0
CDA1101 Heritage Park Redevelopment Project 2011 Program	500,000	0	500,000
MBC1101 Life Safety Improvements 2011 Program	30,000	0	30,000
MBC1102 Mechanical System Upgrades 2011 Program	65,000	0	65,000
PSD1101 Facilities & Repair 2011 Program	400,000	200,000	200,000
PSD1111 Energy Conser & Emissions Reductions 2011 Program	300,000	250,000	50,000
PV1106 Alley Renovation 2011 Program	128,000	20,000	108,000
PV1121 33 <sup>rd</sup> Av SE & Talmage Av 2011 Program	495,000	230,000	265,000
PV1126 Franklin/Cedar/Minnehaha 2011 Program	155,000	52,000	103,000
TR1122 Traffic Safety Improvements 2011 Program	180,000	55,000	125,000
TR1123 Trunk Hwy 55 Signal Improvement 2011 Program	75,000	0	75,000

- 4) Various public infrastructure improvements pursuant to Resolution No. 2011R-663 as amended by Resolution No. 2012R-050 (\$16,241,000) the proceeds thereof to be used for the following authorized purposes:

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
ART12 Art in Public Places 2012 Program	346,000	346,000	0
BK1225 Bluff St Bike Trail 2012 Program	800,000	800,000	0
BIS1203 BIS Enterprise Content Mgmt. 2012 Program	400,000	0	400,000
BIS1204 BIS Enterprise Infrastructure Modernization 2012 Program	750,000	0	750,000
BIS1232 BIS Mobile Computing Framework 2012 Program	125,000	0	125,000
BR1201 Bridge Repair & Rehab 2012 Program	300,000	0	300,000
MBC1201 Life Safety Improvements 2012 Program	200,000	0	200,000

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
MBC1202 Mechanical Systems Upgrade 2012 Program	500,000	0	500,000
MBC1204 MBC Elevators 2012 Program	370,000	181,000	189,000
MBC1206 Clock Tower Upgrade 2012 Program	36,000	36,000	0
PSD12 Pioneer & Soldiers Cemetery 2012 Project	250,000	0	250,000
CTY1202 City Property Reforestation 2012 Program	150,000	150,000	0
PS12E11 Energy Conser & Emissions Reductions Prog 2012	500,000	500,000	0
PS1201 Facilities Repair & Improvements 2012 Program	1,075,000	575,000	500,000
PS1203 Facilities Space Improvements 2012 Program	500,000	500,000	0
PRK1201 Neighborhood Parks 2012 Program	500,000	500,000	0
PRK12CP Recreation Center & Site Imp 2012 Program	2,000,000	2,000,000	0
TR1211 City Street Lighting Replacement 2012 Program	200,000	0	200,000
TR1208 Parkway Lighting Replacement 2012 Program	150,000	0	150,000
PV1201 Parkway Paving 2012 Program	500,000	250,000	250,000
PV1221 33rd Av SE & Talmage Av 2012 Project	250,000	125,000	125,000
PV1256 Asphalt Pavement Resurfacing Program 2012	2,365,000	751,000	1,614,000
PV1257 Nicollet Ave (Lake St E to 4th St E) 2012 Project	3,558,000	0	3,558,000
PV1261 High Volume Corridor Reconditioning Program 2012	1,855,000	485,000	1,370,000
PV1262 Riverside Av (Cedar Av to Franklin Av) 2012 Project	3,760,000	0	3,760,000
PV1274 CSAH & MnDOT Coop Project 2012	600,000	600,000	0
PV1275 Development Infrastructure 2012 Program	500,000	500,000	0
PV1278 Central Corridor Station Area Imp 2012 Project	500,000	500,000	0
PV1279 Pavement Matce Equipment 2012 Project	700,000	175,000	525,000
SWK12 Sidewalk Repair 2012 Program	275,000	0	275,000
TR1222 Traffic Safety Improvements Program 2012	875,000	575,000	300,000
TR1210 Traffic Mgmt. System Program 2012	25,000	25,000	0
TR1221 Traffic Signals Program 2012	185,000	185,000	0
TR1223 Trunk Hwy 55 Signal Imp 2012 Program	100,000	0	100,000

Purpose	Remaining Authorized Amount	Deferred	Issue in 2012
TR1211 City Street Lighting Replacement 2012 Program	692,000	0	692,000
TR1223 Trunk Hwy 55 Signal Imp 2012 Program	108,000	0	108,000

2. Costs of issuance with respect to the Various Purpose Bonds are to be paid first from any premium received on the bond sale with any remaining cost to be prorated and paid from the following funds: (i) Storm Water Fund; (ii) Sewer Fund; (iii) Parking Fund; (iv) Convention Center; and (iv) Bond Redemption Fund. Board staff is authorized to use Northland Securities, Inc. for sale administration and American Financial Printing, Inc. to produce the Official Statement and related electronic documents.

3. The Various Purpose Bonds shall mature on December 1 in the years and amounts as follows:

Maturity (December 1)	Principal Amount*
2013	15,795,000
2014	9,780,000
2015	6,125,000
2016	1,625,000
2017	1,625,000
2018	825,000
2019	425,000
2020	260,000
2021	260,000
2022	260,000
2023	260,000
2024	260,000

\* subject to adjustment

4. Staff to the Board will consider competitive proposals for the sale of the Various Purpose Bonds on Tuesday, September 25, 2012, at 10:00 a.m. The terms of the sale shall be as set forth in the Official Terms of Proposal on file with the Executive Secretary. The Executive Secretary shall prepare and distribute an Official Statement and take such other action as may be necessary and appropriate to conduct the sale. The Executive Secretary is authorized to make adjustments in the sale structure, terms and conditions to include the par amount of the issue based on factors that arise including the size of premium received, if any, and other market factors after consulting with Bond Counsel.

Adopted: August 22, 2012.

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Robert Fine  
President  
Board of Estimate and Taxation

Attest:

\_\_\_\_\_  
Jack A. Qvale  
Executive Secretary

Motion seconded by Rybak. the motion was adopted. Yeas – 6. Nays – none. As follows; Yeas – Hodges, Johnson, Rybak, Wheeler, Becker, Fine - 6. Nays – none

The secretary presented the following proposed internal maturity structures for the bonds to be issued;

Convention Center: 2013 \$500,000, 2014 \$1,700,000, 2015 \$1,000,000, 2016 & 2017 \$500,000.

Parking Fund 7500: 2013 \$100,000, 2014 \$200,000. 2015 thru 2018 \$400,000.

Sanitary Sewer Fund 7100: 2013 \$750,000, 2014 \$1,000,000.

Storm Water Fund 7300: 2013 \$4,400,000, 2014 \$1,000,000.

Various Purpose Refunding Equipment Fund; 2013 thru 2017 \$300,000.

Improvement Refunding; 2013 4595,000, 2014 \$580,000, 2015 thru 2019 \$425,000, 2020 thru 2024 \$260,000.

Net Debt 2013 \$9,150,000, 2014 \$5,000,000, 2015 \$4,000,000.

Paving 2013 \$2,590,000, 2014 \$5,000,000, 2015 \$4,000,000.

The following are all 2013 maturities: CPED Heritage Park \$500,000, Arts in Public Places \$256,000, MBC(public buildings) \$1,054,000, Property Services(public buildings) \$1,150,000.BIS \$1.275,000, Traffic \$708,000, Sidewalks \$275,000. Lighting \$1,042,000. Bridges \$300,000.

Johnson moved the adaptation of the internal maturity structures as presented by the secretary and that the secretary be authorized to adjust the structure if the issue's structure is adjusted. Motion seconded by Rybak. the motion was adopted. Yeas – 6. Nays – none. As follows; Yeas – Hodges, Johnson, Rybak, Wheeler, Becker, Fine - 6. Nays – none

Johnson moved the following resolution,

**AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION VARIOUS PURPOSE BONDS, SERIES 2012, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$37,500,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS**

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority.

1.01. Previous Board Action. Pursuant to a resolution adopted by the Board on the date hereof (the “Authorizing Resolution”), the Board determined to solicit proposals for the purchase of General Obligation Various Purpose Bonds, Series 2012 (the “Various Purpose Bonds”) of the City, in the original aggregate principal amount of \$37,500,000 in accordance with the Official Terms of Proposal on file with the Executive Secretary of the Board and incorporated into an Official Statement to be prepared and distributed with respect to the Various Purpose Bonds. The proceeds of the Various Purpose Bonds will be used to finance various municipal improvements in the City.

1.02. Authority. The City is authorized to issue the Various Purpose Bonds pursuant to the terms of the Minnesota Statutes, Chapter 475 (the “Municipal Debt Act”), Minnesota Statutes, Chapter 444, as amended, Minnesota Statutes, Chapter 429, as amended, and the City Charter.

1.03 City Council's Request. The City Council adopted resolutions referred to in the Authorizing Resolution which authorize the Board to incur indebtedness, issue, and sell the Various Purpose Bonds to finance various municipal improvements.

Section 2. Issuance of Bonds. In order to finance certain municipal improvement projects in the City, there is hereby authorized to be issued by the City the Various Purpose Bonds.

Section 3. Terms and Forms of Various Purpose Bonds.

3.01. Bond Terms. The Various Purpose Bonds are authorized to be issued in accordance with the terms of this Resolution. The Various Purpose Bonds shall be designated "General Obligation Various Purpose Bonds, Series 2012" shall be issued in one or more series as the Executive Secretary may determine, and shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Various Purpose Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Various Purpose Bonds shall be dated the date of issue, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate principal amount of \$37,500,000, or such greater or lesser amount as the Executive Secretary shall determine to be necessary and appropriate to finance the designated municipal improvements and related costs. The Various Purpose Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2013, or such other date determined by the Executive Secretary, from the date of the Various Purpose Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Various Purpose Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary, consistent with the requirements of Section 475.54, subdivisions 1 and 17 of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Various Purpose Bonds to be combined into one or more term bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Various Purpose Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Various Purpose Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Various Purpose Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Various Purpose Bonds consistent with the finance plan pursuant to which the Various Purpose Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Various Purpose Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Various Purpose Bonds, the Bond Registrar (as hereinafter defined) shall assign to each Various Purpose Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Various Purpose Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Various Purpose Bonds of the maturity to be redeemed. The order of selection of Various Purpose Bonds to be redeemed shall be the Various Purpose Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Various Purpose Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Various Purpose Bond, the same shall be surrendered in exchange for one or more new Various Purpose Bonds in authorized form for the unredeemed portion of principal. The method of selecting Various Purpose Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Various Purpose Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Various Purpose Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Various Purpose Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Various Purpose Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Various Purpose Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Various Purpose Bonds shall be in substantially the form set forth in EXHIBIT A attached hereto, with necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Executive Secretary may determine.

3.04. Registration. As long as any of the Various Purpose Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar an office or agency for the payment of the principal of and interest on such Various Purpose Bonds, as in this Resolution provided, and for the registration and transfer of such Various Purpose Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Various Purpose Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee, or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Various Purpose Bonds of the same series, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. Any Various Purpose Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Various Purpose Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Various Purpose Bonds or transferring fully registered Various Purpose Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Various Purpose Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Various Purpose Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Various Purpose Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee, or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Various Purpose Bonds called for redemption, nor be obligated to make any such exchange or transfer of Various Purpose Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Various Purpose Bonds.

3.05. Record Dates. Interest on any Various Purpose Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Various Purpose Bond (or one or more Various Purpose Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Various Purpose Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Various Purpose Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Various Purpose Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Various Purpose Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Various Purpose Bond



and each such Various Purpose Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange, or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Various Purpose Bond shall become mutilated or be destroyed, stolen, or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Various Purpose Bond of like maturity and principal amount as the Various Purpose Bond so mutilated, destroyed, stolen, or lost in exchange and substitution for such mutilated Various Purpose Bond, upon surrender and cancellation of such mutilated Various Purpose Bond, or in lieu of and substitution for the Various Purpose Bond destroyed, stolen, or lost upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Various Purpose Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Various Purpose Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Various Purpose Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Various Purpose Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Various Purpose Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Various Purpose Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company (“DTC”) has agreed to act as securities depository for the Various Purpose Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Various Purpose Bonds (the “DTC Participants”), and for distributing to such DTC Participants such amount of the principal and interest payments on the Various Purpose Bonds as they are entitled to receive for redistribution to the beneficial owners of the Various Purpose Bonds as reflected in their records (the “Beneficial Owners”).

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Various Purpose Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section 3.08. While DTC is acting as the securities depository, the Various Purpose Bonds shall be registered in the name of DTC’s nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words “CEDE & CO.” in this Resolution shall refer to such new nominee of DTC.

With respect to Various Purpose Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Various Purpose Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Various Purpose Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Various Purpose Bonds. The Bond Registrar shall pay all principal of and interest on the Various Purpose Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the principal and interest on the Various Purpose Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section 3.08 is in effect, no person other than DTC shall receive an authenticated Various Purpose Bond.

(c) Upon receipt by the City and the Bond Registrar of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the Bond Registrar shall issue, transfer, and exchange Various Purpose Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Various Purpose Bonds; or (ii) to make available Various Purpose Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring, or exchanging such Various Purpose Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Various Purpose Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Various Purpose Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Various Purpose Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Various Purpose Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Various Purpose Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Various Purpose Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Various Purpose Bond and all notices with respect to the Various Purpose Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Various Purpose Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section 3.08 is discontinued, except as provided in clause (g), the Various Purpose Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer, and exchange all Various Purpose Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Various Purpose Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

#### Section 4. Sale, Execution, and Delivery of Various Purpose Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Various Purpose Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer of the City, under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of Various Purpose Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such series of Various Purpose Bonds, and the Various Purpose Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Various Purpose Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or directions as he may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any unused discount and any unused issuance costs shall be deposited in the Various Purpose Fund Debt Service Account (as established in Section 5.01 hereof) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Various Purpose Bonds shall be executed by the manual or facsimile signature of the Finance Officer, the manual or facsimile signature of the president of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Various Purpose Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Various Purpose Bond. When the Various Purpose Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Various Purpose Bonds shall be delivered to the purchasers (the "Purchasers") in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said Purchasers thereof shall be a full acquittance; and said Purchasers shall not be bound to see to the application of the purchase money. The Various Purpose Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, who is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause an Official Statement relating to the Various Purpose Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Official Statement"), and the use thereof by the Purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the Purchasers at the closing: (i) a certificate that, to the knowledge of such officer, the Official Statement does not, at the date of closing, and did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Various Purpose Bonds or the organization of the City or incumbency of its officers, at the closing the Finance Officer shall also execute and deliver to the Purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Various Purpose Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Various Purpose Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

## Section 5. Payment; Security; Pledges and Covenants.

5.01. Various Purpose Bonds Debt Service Account. The Various Purpose Bonds will be payable from the debt service account for the Various Purpose Bonds (the "Various Purpose Bonds Debt Service Account") established as part of the City's Debt Service Fund and the following are hereby pledged to the Various Purpose Bonds Debt Service Account: (a) special assessments against property specially benefited by local improvements financed with proceeds of the Various Purpose Bonds; (b) net revenues derived from the operation of the City's sewer system, water system, and storm water system financed with proceeds of the Various Purpose Bonds; and (c) the proceeds of ad valorem taxes levied herein. If a payment of principal or interest on the Various Purpose Bonds becomes due when there is not sufficient money in the Various Purpose Bonds Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the assessments, revenues, or proceeds of the taxes levied by this resolution, when collected. There is appropriated to the Various Purpose Bonds Debt Service Account a pro rata portion of: (i) interest to be financed with proceeds of the Various Purpose Bonds, if any, (ii) any amount over the minimum purchase price of the Various Purpose Bonds, if any, paid by the Purchasers, and (iii) the accrued interest, if any, paid by the Purchasers upon closing and delivery of the Various Purpose Bonds.

5.02. Deposit to Funds and Accounts. The proceeds of the Various Purpose Bonds, less the appropriations made in Section 5.01, together with any other funds appropriated for the improvements and assessments collected during the construction of the municipal improvements will be deposited in separate funds or accounts to be used solely to defray expenses of the municipal improvements including the payment of principal and interest on the Various Purpose Bonds prior to the completion and payment of all costs of any municipal improvement. Any balance remaining in any fund or account after completion of any municipal improvements may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the municipal improvements are completed and the costs thereof paid,

the funds and accounts are to be closed and subsequent collections of assessments for the improvements are to be deposited in the Various Purpose Bonds Debt Service Account.

5.03. Ad Valorem Tax Levy. For the purpose of paying the principal of and interest on the Various Purpose Bonds, the Finance Officer is hereby authorized to levy a direct annual irrepealable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City to the extent the Finance Officer determines such levy is necessary to pay the principal of and interest on the Various Purpose Bonds when due. Any tax levy so imposed will be irrepealable until the Various Purpose Bonds are paid, provided that the Finance Officer may reduce the tax levy in accordance with the provisions of Section 475.61 of the Municipal Debt Act. The tax revenues derived from the levy of such ad valorem taxes will be credited to the Various Purpose Bonds Debt Service Account.

5.04. Adequacy of Revenues. It is determined that the estimated collection of the foregoing taxes, together with the special assessments and net revenues derived from the operation of the City's sewer system, water system, and storm water system described in Section 5.01, will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Various Purpose Bonds. If necessary, however, the City shall levy a direct tax on all taxable property in the City, without limitation as to rate or amount, to pay such principal and interest when due.

#### Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Various Purpose Bonds which would cause the Various Purpose Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder, unless a "remedial action," within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for an on behalf of the City. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Various Purpose Bonds is not includable in gross income for federal income tax purposes.

6.02. Not Arbitrage Bonds. The investments of the proceeds of the Various Purpose Bonds, including the investments of any revenues pledged to the Various Purpose Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Various Purpose Bonds shall not be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Various Purpose Bonds will be used in such manner as to cause the Various Purpose Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchasers embracing or based on the foregoing certification at the time of delivery of the Various Purpose Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

#### Section 7. Miscellaneous Matters Relating to Various Purpose Bonds.

7.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Various Purpose Bonds.

7.02. Enforceability of Various Purpose Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the Board, nor any officer executing the

Various Purpose Bonds shall be liable personally on the Various Purpose Bonds or be subject to any personal liability or accountability by reason of the issuance of the Various Purpose Bonds.

7.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be constructed to confer upon any person (other than as provided in the Various Purpose Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

7.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

7.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Various Purpose Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Various Purpose Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Various Purpose Bonds (if the Various Purpose Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Various Purpose Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

7.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

Adopted: August 22, 2012.

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Robert Fine  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

Motion seconded by Rybak. the motion was adopted. Yeas – 6. Nays – none. As follows; Yeas – Hodges, Johnson, Rybak, Wheeler, Becker, Fine - 6. Nays – none

The secretary presented information relating to the current refunding for savings: General Obligation Parking Assessment Refunding Bonds, Series 2012

Following questions and discussion Johnson moved the following resolution,

**AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION PARKING ASSESSMENT REFUNDING BONDS, SERIES 2012, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$22,060,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS**

BE IT RESOLVED By the Board of Estimate and Taxation (the "Board") of the City of Minneapolis, Minnesota (the "City") as follows:

Section 1. Background and Authority.

1.01. Series 2002 Bonds. Pursuant to Resolution No. 2002R-251, adopted by the City Council of the City on July 12, 2002, and approved by the Mayor on July 18, 2002, the City Council of the City authorized the issuance of its General Obligation Parking Assessment Bonds, Series 2002 (the "Refunded Bonds") in the original aggregate principal amount of \$25,000,000 to finance the construction of an approximately 675-stall underground parking ramp located near the intersection of Hennepin Avenue and Vineland Place in the City (the "Parking Ramp"). The Refunded Bonds were issued on November 7, 2002, pursuant to Resolution No. 2002R-251 and resolutions of the Board adopted on September 25, 2002, and on October 23, 2002.

1.02. Redemption of Refunded Bonds. The Refunded Bonds are subject to optional redemption and prepayment, in whole or in part, on December 1, 2012, and on any day thereafter, upon not less than thirty (30) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Refunded Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. To provide for the redemption and prepayment of all of the outstanding Refunded Bonds, the City is proposing to issue its General Obligation Parking Assessment Refunding Bonds, Series 2012 (the "Bonds") in an aggregate principal amount not to exceed \$22,060,000, and apply the net proceeds derived from the sale of the Bonds to the current refunding of the Refunded Bonds within ninety (90) days of the date of issuance of the Bonds.

1.03. Authority. The City is authorized to issue the Bonds to redeem and prepay the Refunded Bonds pursuant to the terms of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act") and, in particular, Section 475.67 of the Municipal Debt Act.

Section 2. Issuance of Bonds. The Bonds are hereby authorized to be issued in the original aggregate principal amount of \$22,060,000 and the proceeds derived from the sale of the Bonds are hereby directed and authorized to be applied to the redemption and prepayment of the Refunded Bonds and to related costs.

Section 3. Terms and Form of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be issued as fixed-rate, tax-exempt, general obligation bonds, and shall be issued in one or more series as the Executive Secretary of the Board (the "Executive Secretary"), in consultation with the Finance Officer of the City (the "Finance Officer"), shall determine. The Bonds shall be designated "General Obligation Parking Assessment Refunding Bonds, Series 2012" and, if issued in more than one series, shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated on or after October 4, 2012, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original

aggregate principal amount of \$22,060,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Refunded Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2013, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary and the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the Bond Registrar (as defined in Section 3.02 hereof) and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor bond registrar and paying agent as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be prepared in substantially the form set forth in EXHIBIT A attached hereto, with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine.

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar records as to the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee, or other

governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully-registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee, or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen, or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen, or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen, or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section 3.08 shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").



(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section 3.08. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section 3.08 is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the City and the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer, and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section 3.08 is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer, and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

#### Section 4. Sale, Execution, and Delivery of Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer, under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of Bonds shall be sold only within the price parameters and in accordance with such other terms as are set forth in the "Official Terms of Proposal" on file with the Executive Secretary and incorporated into the official statement prepared with respect to the offer and sale of the Bonds (the "Official Statement"). Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary, on behalf of the Board, on the date specified in the Official Terms of Proposal pursuant to, and within the parameters established by, the Official Terms of Proposal. The Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or representations as he may deem necessary and expedient, including but not limited to, approval of the Official Statement and of a Continuing Disclosure Certificate to be prepared in connection with the issuance of the Bonds. Any original issue premium, unused discount, and unused issuance costs shall be deposited in the Debt Service Account (as hereinafter established) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer, and the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, who is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause the Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Final Official Statement"), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the knowledge of such officer, the Final Official Statement does not, at the date of closing, and the Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota franchise taxes on corporations measured by income) under present laws and rulings.

#### Section 5. Refunding; Application of Proceeds of Bonds.

5.01. Redemption and Prepayment of Refunded Bonds. All of the Refunded Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

5.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) accrued interest, if any, shall be deposited in the Debt Service Account; (ii) an amount determined by the Finance Officer to pay interest on the Bonds, if any, shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Refunded Bonds to be financed with the Bonds shall be applied to such purpose; and (iv) an amount determined by the Finance Officer sufficient to pay the costs of issuing the Bonds, if any, shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to such purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. Pledge of Full Faith and Credit and Tax Levy. The full faith and credit of the City are irrevocably pledged to the timely and full payment of the principal of and interest on the Bonds when due. Special assessments levied from time to time pursuant to Minnesota Statutes, Section 459.14, subdivision 7, as amended, and Minnesota Statutes, Sections 429.011 - 429.091, as amended, with respect to the Parking Ramp (the "Special Assessments") are hereby pledged to the payment of the principal of and interest on the Bonds when due. For the purposes of providing for the payment of principal of and interest on the Bonds when and as the same become due and for the collection of an additional amount not less than five percent (5%) of such principal and interest, in addition to all other taxes, the Finance Officer is hereby authorized to impose a direct ad valorem tax levy against all taxable property in the City in the years and amounts necessary to provide for timely payment of the principal of and interest on the Bonds. The Finance Officer shall impose the tax levy in amounts such that such taxes, if collected in full, will produce amounts at least five percent (5%) in excess of the amounts needed to pay the principal of and interest on the Bonds when due, but the City shall levy additional taxes, without limitation as to rate or amount, if necessary to pay the principal of and interest on the Bonds when due. Any ad valorem tax levies shall be irrevocable except to the extent authorized to be reduced pursuant to Section 475.61 of the Municipal Debt Act.

6.02. Series 2012 Bonds Debt Service Account and Redemption Account for Refunded Bonds.

(a) The Bonds will be payable from the debt service account for the Bonds (the "Series 2012 Bonds Debt Service Account") established as part of the City's Debt Service Fund. The Special Assessments and the proceeds of tax levies described in Section 6.01 hereof are hereby pledged to the Series 2012 Bonds Debt Service Account of the Debt Service Fund. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Series 2012 Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the tax levies, when collected. There is appropriated to the Series 2012 Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the purchaser of the Bonds (the "Purchaser") if such appropriation is determined to be appropriate by the Finance Officer pursuant to Section 4.01 hereof, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) The proceeds of the Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Refunded Bonds. When the redemption and prepayment of the Refunded Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Series 2012 Bonds Debt Service Account.

Section 7. Tax Covenants. The Bonds are issued as tax-exempt general obligation bonds and the City hereby makes the following representations:

7.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder unless a "remedial action," within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for and on behalf of the City. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Arbitrage Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

## Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed, together with a certificate of the Finance Officer establishing the tax levy described in Section 6.01 hereof, with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or any member of the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the members of the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the

approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

Adopted: August 22, 2012.

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Robert Fine  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

Motion seconded by Becker. The motion was adopted. Yeas – 6. Nays – none. As follows; Yeas – Hodges, Johnson, Rybak, Wheeler, Becker, Fine - 6. Nays – none

The secretary presented information relating to the current refunding for savings: General Obligation Library referendum Refunding Bonds, Series 2012

Following questions and discussion Johnson moved the following resolution,

**AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION LIBRARY REFUNDING BONDS, SERIES 2012, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$29,100,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS**

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority.

1.01 Library Referendum Bonds. At the general election held on November 7, 2000, the voters of the City approved a ballot question authorizing the issuance of general obligation bonds of the City to finance public library improvements, including the construction of a new Central Library and the construction of improvements to the Community Libraries of the City. The referendum authorized the issuance of up to \$110,000,000 of general obligation bonds to finance the new Central Library and up to \$30,000,000 of general obligations bonds to finance improvements to the Community Libraries. The City has previously issued the general obligation bonds described below to finance or refinance improvements to the Minneapolis central library and community libraries.

1.02. Series 2002 Bonds. Pursuant to Resolution No. 2002R-400, adopted by the City Council of the City on October 25, 2002, and approved by the Mayor on October 29, 2002, the City Council of the City requested that the Board of Estimate and Taxation incur indebtedness and issue and sell general obligation bonds of the City in the amount of \$110,000,000 for the design and construction of the new Central Library. The City issued its General Obligation Library Bonds, Series 2002 (the “Series 2002 Bonds”) in the original aggregate principal amount of \$9,500,000 on December 19, 2002, pursuant to Resolution No. 2002R-400 and resolutions of the Board adopted on October 23, 2002, and on December 11, 2002. The proceeds of the Series 2002 Bonds were applied to the acquisition and construction of the new Central Library.

1.03. Series 2004 Bonds. Pursuant to Resolution No. 2002R-400, adopted by the City Council of the City on October 25, 2002, and approved by the Mayor on October 29, 2002, the City Council of the City requested that the Board of Estimate and Taxation incur indebtedness and issue and sell general obligation bonds of the City in the amount of \$110,000,000 for the design and construction of the new Central Library. Pursuant to Resolution No. 2002R-484 adopted by the City Council of the City on December 16, 2002, and approved by the Mayor on December 19, 2002, Resolution No. 2003R-619 adopted by the City Council of the City on December 15, 2003, and approved by the Mayor on December 17, 2002, Resolution No. 2004R-232 adopted by the City Council of the City on May 14, 2004, and approved by the Mayor on May 19, 2004, and Resolution No. 2004R-352 adopted by the City Council of the City on August 6, 2004, and approved by the Mayor on August 12, 2004 (collectively, the "City Council Resolutions"), the City Council of the City requested that the Board of Estimate and Taxation incur indebtedness and issue and sell general obligation bonds of the City in the aggregate amount of \$13,229,000 for the purpose of paying for capital improvements to various Community Libraries.

The City issued its General Obligation Library Bonds, Series 2004 (the "Series 2004 Bonds") in the original aggregate principal amount of \$28,000,000 on December 1, 2004, pursuant to the City Council Resolutions and resolutions of the Board adopted on October 27, 2004 and on November 17, 2004. The proceeds of the Series 2004 Bonds were applied to the following purposes and in the following respective amounts: (i) \$20,325,000 the proceeds thereof to be applied to the acquisition and construction of the new Central Library; and (ii) 7,675,000 the proceeds thereof to be applied to capital improvements to the following Community Libraries: (i) Franklin Community Library (\$2,400,000); (ii) Roosevelt Community Library (\$32,351); (iii) East Lake Community Library (\$2,636,500); (iv) Webber Park Community Library (\$8,335); (v) North Regional Library (\$175,000); and (vi) construction of foundation and site improvements and acquisition of an express checkout system (\$2,414,000).

1.04. Redemption of Refunded Bonds. The Series 2002 Bonds are subject to optional redemption and prepayment, in whole or in part, on December 1, 2012, and any day thereafter, upon not less than thirty (30) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2002 Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. The Series 2004 Bonds are subject to optional redemption and prepayment, in whole or in part, on December 1, 2012, and on any day thereafter, upon not less than thirty (30) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2004 Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. To provide for the redemption and prepayment of all of the outstanding Series 2002 Bonds and Series 2004 Bonds (collectively, the "Refunded Bonds"), the City is proposing to issue its General Obligation Library Refunding Bonds, Series 2012 (the "Bonds") in an aggregate principal amount not to exceed \$29,100,000, and apply the net proceeds derived from the sale of the Bonds to the current refunding of the Refunded Bonds within ninety (90) days of the date of issuance of the Bonds.

1.05. Authority. The City is authorized to issue the Bonds to redeem and prepay the Refunded Bonds pursuant to the terms of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act") and, in particular, Section 475.67 of the Municipal Debt Act.

Section 2. Issuance of Bonds. The Bonds are hereby authorized to be issued in the original aggregate principal amount of \$29,100,000 and the proceeds derived from the sale of the Bonds are hereby directed and authorized to be applied to the redemption and prepayment of the Refunded Bonds and to related costs.

Section 3. Terms and Form of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be issued as fixed-rate, tax-exempt, general obligation bonds, and shall be issued in one or more series as the Executive Secretary of the Board (the "Executive Secretary"), in consultation with the Finance Officer of the City (the "Finance Officer"), shall determine. The Bonds shall be designated "General Obligation Library Refunding Bonds, Series 2012" and, if issued in more than one series, shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated on or after October 4, 2012, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate

principal amount of \$29,100,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Refunded Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2013, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary and the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the Bond Registrar (as defined in Section 3.02 hereof) and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor bond registrar and paying agent as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be prepared in substantially the form set forth in EXHIBIT A attached hereto, with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine.

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar records as to the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee, or other

governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully-registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee, or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen, or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen, or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen, or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section 3.08 shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").



(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section 3.08. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section 3.08 is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the City and the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer, and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section 3.08 is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer, and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4.      Sale, Execution, and Delivery of Bonds and Related Documents.

4.01.    Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer, under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of Bonds shall be sold only within the price parameters and in accordance with such other terms as are set forth in the "Official Terms of Proposal" on file with the Executive Secretary and incorporated into the official statement prepared with respect to the offer and sale of the Bonds (the "Official Statement"). Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary, on behalf of the Board, on the date specified in the Official Terms of Proposal pursuant to, and within the parameters established by, the Official Terms of Proposal. The Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or representations as he may deem necessary and expedient, including but not limited to, approval of the Official Statement and of a Continuing Disclosure Certificate to be prepared in connection with the issuance of the Bonds. Any original issue premium, unused discount, and unused issuance costs shall be deposited in the Debt Service Account (as hereinafter established) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02.    Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer, and the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, who is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03.    Official Statement. The Executive Secretary shall cause the Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Final Official Statement"), and the use thereof by the purchasers is approved.

4.04.    Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the knowledge of such officer, the Final Official Statement does not, at the date of closing, and the Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota franchise taxes on corporations measured by income) under present laws and rulings.

Section 5.      Refunding; Application of Proceeds of Bonds.

5.01.    Redemption and Prepayment of Refunded Bonds. All of the Refunded Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

5.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) accrued interest, if any, shall be deposited in the Debt Service Account; (ii) an amount determined by the Finance Officer to pay interest on the Bonds, if any, shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Refunded Bonds to be financed with the Bonds shall be applied to such purpose; and (iv) an amount determined by the Finance Officer sufficient to pay the costs of issuing the Bonds, if any, shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to such purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. Pledge of Full Faith and Credit and Tax Levy. The full faith and credit of the City are irrevocably pledged to the timely and full payment of the principal of and interest on the Bonds when due. For the purposes of providing for the payment of principal of and interest on the Bonds when and as the same become due and for the collection of an additional amount not less than five percent (5%) of such principal and interest, in addition to all other taxes, the Finance Officer is hereby authorized to impose a direct ad valorem tax levy against the referendum market value (as defined in Minnesota Statutes, Section 126C.01, subdivision 3) of all taxable property in the City in the years and amounts necessary to provide for timely payment of the principal of and interest on the Bonds. The Finance Officer shall impose the tax levy in amounts such that such taxes, if collected in full, will produce amounts at least five percent (5%) in excess of the amounts needed to pay the principal of and interest on the Bonds when due, but the City shall levy additional taxes, without limitation as to rate or amount, if necessary to pay the principal of and interest on the Bonds when due. Any ad valorem tax levies shall be irrevocable except to the extent authorized to be reduced pursuant to Section 475.61 of the Municipal Debt Act.

6.02. Series 2012 Bonds Debt Service Account and Redemption Account for Refunded Bonds.

(a) The Bonds will be payable from the debt service account for the Bonds (the "Series 2012 Bonds Debt Service Account") established as part of the City's Debt Service Fund. The proceeds of tax levies described in Section 6.01 hereof are hereby pledged to the Series 2012 Bonds Debt Service Account of the Debt Service Fund (subject to any pledge of such tax levies to bonds issued on a parity basis with the Bonds, including bonds previously issued or bonds hereafter issued). If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Series 2012 Bonds Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the tax levies, when collected. There is appropriated to the Series 2012 Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the purchaser of the Bonds (the "Purchaser") if such appropriation is determined to be appropriate by the Finance Officer pursuant to Section 4.01 hereof, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) The proceeds of the Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Refunded Bonds. When the redemption and prepayment of the Refunded Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Series 2012 Bonds Debt Service Account.

Section 7. Tax Covenants. The Bonds are issued as tax-exempt general obligation bonds and the City hereby makes the following representations:

7.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder unless a "remedial action," within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for and on behalf of the City. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Arbitrage Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

## Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed, together with a certificate of the Finance Officer establishing the tax levy described in Section 6.01 hereof, with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or any member of the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the members of the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel, or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the

approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

Adopted: August 22, 2012.

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Robert Fine  
President  
Board of Estimate and Taxation

Attest:

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Jack A. Qvale  
Executive Secretary

Motion seconded by Becker. The motion was adopted. Yeas – 6. Nays – none. As follows; Yeas – Hodges, Johnson, Rybak, Wheeler, Becker, Fine - 6. Nays – none

The secretary reviewed with the Board the as preparation for the public hearing the following Information packet based on the Mayor's Budget message with a 1.7 % Levy change from pay 2013.

1. Collective tax base effects on pay 2013 taxes.
2. Pay 2013 changes in Tax Capacity used for local tax rate.
3. Market Value changes in homesteaded properties.
4. City Tax % change brackets .
5. Estimated City Tax % changes at 1.70 % Levy change.
6. Estimated City Tax \$\$ changes at 1.70 % Levy change.
7. Estimated residential impacts including utility fees.
8. Estimated commercial and apartment tax impacts.

Of the 52,693 residential homestead parcels in the data grouping ( which are parcels over the last four years with no change in classification & no permitted improvements that would change the market value ) , for taxes payable in 2013 the January 2, 2012 valuations are used.

388 parcels or 0.64% of the parcels will have a CITY tax decrease of at least 30%

1,355 parcels or 2.57% of the parcels will have a CITY tax decrease of at least 20%

3,320 parcels or 6.30% of the parcels will have a CITY tax decrease of at least 15%

7,520 parcels or 14.27% of the parcels will have a CITY tax decrease of at least 10%

13,804 parcels or 26.20% of the parcels will have a CITY tax decrease of at least 7.5%

20,327 parcels or 38.58% of the parcels will have a CITY tax decrease of at least 5.0%

27,879 parcels or 52.91% of the parcels will have a CITY tax decrease of at least 2.5%

34,552 parcels or 65.57% of the parcels will have a CITY tax decrease

2,259 parcels or 4.29% of the parcels will have a CITY tax increase between 0% to 2.5%

15,054 parcels or 28.57% of the parcels will have a CITY tax increase between 3.25 % to 3.50%

798 parcels or 1.51% of the parcels will have a CITY tax increase over 3.50 %  
Of the properties in the 3.25% to 3.50% increase bracket: the pay 2012 vs 2011 was:

15.20% had tax decreases over 10.00%

22.77% had tax decreases over 7.50%

32.99% had tax decreases over 5.00%

47.49% had tax decreases over 2.50%

74.90% had tax decreases

19.43% had a tax increase of less than 2.00%

5.66% or 853 parcels had a tax increase over 2.00%

The time being 4:56 President Fine declared a ten minute recess at which time the Board would reconvene for the purpose of holding the public hearing to take public comment on the maximum tax levies for pay 2013.

The time being 5:09 President Fine reconvened the Board  
President Fine opened the Public Hearing for the City Charter and Truth in Taxation compliance, with regards to the setting of the maximum tax levies payable in 2013.

- A. Public Comments
- B. Comments by Board of Estimate & Taxation members.

President Fine closed the Public Hearing for the City Charter and Truth in Taxation compliance, with regards to the setting of the maximum tax levies payable in 2013 there being no further individuals indicating a desire to address the Board.

Direction to staff given at this time: Staff to prepare the required resolutions for the September 12, 2012 meeting based on the Mayor's proposed budget for 2013.

Wheeler moved to adjourn; seconded by Hodges.  
The meeting was adjourned at 5:42 p.m.